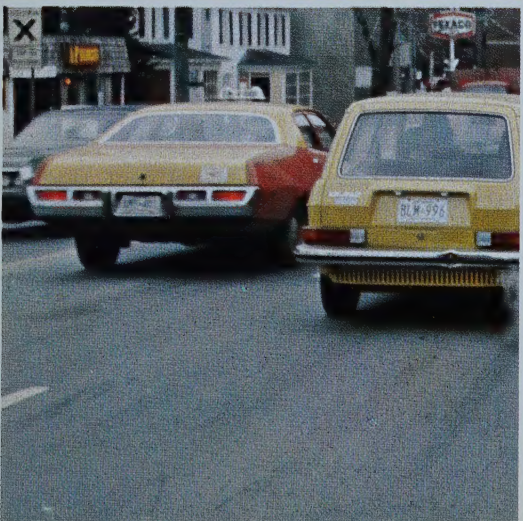
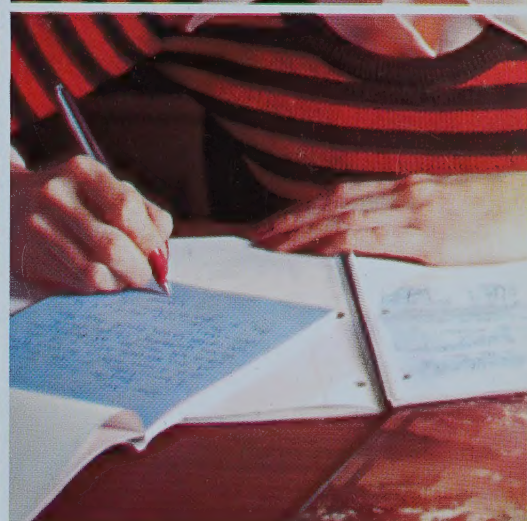


AR51



Annual Report 1973





E.S. & A. Robinson
(Canada) Limited



Globe Envelopes
Products Limited



Enveloppe Internationale Limitée

Sellotape

Sellotape
Canada Limited



Gage Stationery
Company

Directors:

L. Brégent
K. G. Graham
*W. G. Horsey
*W. J. Hunter
J. L. Lewtas, Q.C.
A. J. Lynas
J. A. McCleery, F.C.A.
*C. W. McDougall
*N. C. Morris
*W. G. Reid
J. F. Robinson, C.B.E.
T. L. Robinson
R. W. Westrope
E. H. Young

*Member of the Executive Committee

Officers:

W. G. Horsey *Chairman of the Board*
W. G. Reid *President*
K. G. Graham *Vice President*
W. J. Hunter *Vice President*
A. J. Lynas *Vice President*
N. C. Morris *Vice President*
J. R. Ward, C.A. *Vice President Finance and Secretary*
E. H. Young *Vice President*
L. B. Zalany, C.A. *Associate Treasurer*

Auditors:

Price Waterhouse & Co., Toronto.

Transfer Agents:

Crown Trust Company, Toronto and Montreal.

Head Office:

73 Laird Drive, Toronto M4G 3T8

Subsidiaries and other:

Globe Envelopes Products Limited (100%)
Globe Envelopes Realty Limited (100%)
Enveloppe Internationale Limitée (100%)
E.S. & A. Robinson (Canada) Limited (100%)
Sellotape Canada Limited (100%)
Gage Stationery Company (100%)
The percentage of ownership is indicated above.

Valuation day price:

The Department of National Revenue will accept for tax purposes a value of \$14.00 per each common Class 'A' and common Class 'B' share as of December 22, 1971. Following the issue of Supplementary Letters Patent on April 17, 1972, splitting the said shares on a 2-for-1 basis, the adjusted Valuation Day price for shares held subsequent to the split is \$7.00 per share.

Class 'A' Shares — Symbol DRG —
Listed on the Toronto Stock Exchange.

The Annual and Special General Meeting of Shareholders will be held at the Centennial Ballroom, Inn on the Park, Leslie Street & Eglinton Avenue East, Toronto, at 11:00 a.m. on Thursday, April 4, 1974.

Highlights

	1973	1972
Net sales	\$57,576,981	\$52,796,533
Net earnings	2,748,014	2,445,950
Cash flow	4,363,552	3,807,102
Expenditures on fixed and other assets	2,901,812	1,427,502
Dividends	1,279,582	1,121,912
Working capital	12,718,091	13,368,183
Shareholders' equity	20,480,427	18,731,745
Payroll and benefits	18,085,598	16,272,772
Number of employees	1,792	1,595
Number of shareholders	1,240	1,171
Per common share		
Net earnings	0.78	0.70
Dividends	0.36	0.32
Shareholders' equity	5.78	5.35

President's Report to Shareholders

Consolidated earnings for DRG Limited for 1973 were better than 1972. All companies in the group contributed to the profit for the year.

The performance of Globe Envelopes Products Limited, as well as Enveloppe Internationale Limitée, with respect to sales and profits, was outstanding, making 1973 the best year in their history and substantially better than 1972.

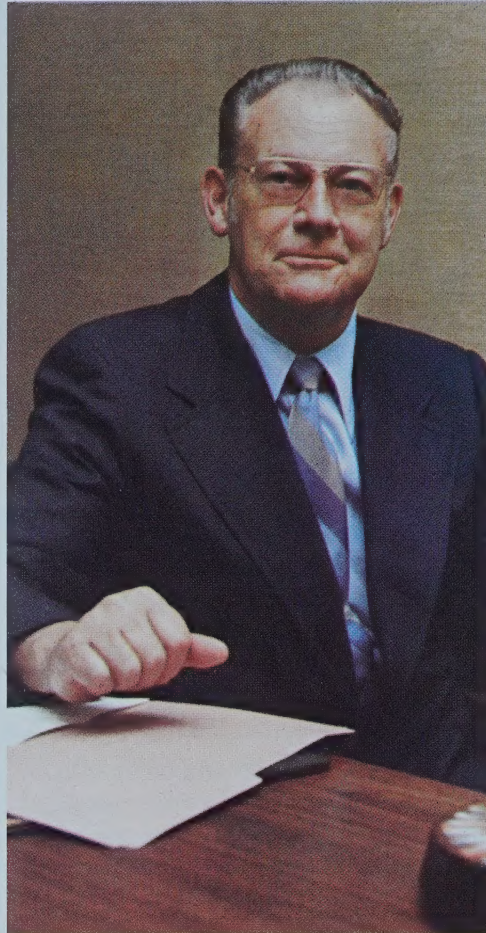
Sellotape Canada Limited achieved record sales in 1973. Profit increase over 1972 was substantial. Each division of the Company produced gratifying gains, with leadership in growth provided by a revitalized Industrial Division as well as by the Selloprint Division. At the close of the year, the Board of Directors of Sellotape appointed Albert C. Meyer as President of that company.

Sales of E.S. & A. Robinson (Canada) Limited established an all-time record for this company, and net earnings were better than last year. That this performance was achieved in the face of rapidly escalating cost of material, the adverse effects of a strike by its employee union members which shut down the Robinson factories for three weeks in October, and a complete move of its Bag Manufacturing Department to new factory quarters, speaks well for the management strength of that company.

In July, 1973, E.S. & A. Robinson (Canada) Limited purchased for cash the business and assets of Plastics Forms Limited of Kitchener, Ontario. Operating for the balance of the year as part of the Robinson Rigid Plastics Division, this new acquisition made a worthwhile contribution to profits.

For Gage Stationery Company, 1973 was again a profitable year, although both sales and profits were down compared to 1972. The reduction in sales was due largely to phasing out in accordance with plan, obsolescent and unprofitable product lines while, at the same time, carrying out a major and significant change in the design and range of writing pads and envelopes. The latter move resulted in the introduction of the new Lion Brand products to the Canadian stationery market during the late months of 1973. It is confidently expected that "Lion Brand" will become a household word rather quickly and further enhance Gage Stationery Company's prominent position in the market.

In order to better meet the increasing demands of the market and the future growth which is expected, some re-organization and re-alignment of executive management responsibilities within Gage Stationery Company took place in 1973. Also, the manufacturing and distribution operation at



Longueuil in the Province of Quebec was set up as a more autonomous unit reporting through a newly appointed General Manager of Eastern Operations. With this change, it is expected that the specific needs of the Eastern Canada market will be better serviced.

As previously announced, agreement was reached at the beginning of this year whereby Evode Limited of Stafford, England, acquired from DRG Limited for cash the 51% interest owned by DRG Limited in Drecona Industries Limited, which is located in Mississauga, Ontario. As a result of this agreement, Drecona Industries Limited, with effect as of January 1, 1974, is now a wholly owned subsidiary of Evode Limited. DRG Limited and Evode Limited, after having worked as partners for many years in Canada and the U.K., is each now free to develop its own business while, at the same time, preserving between them the same friendly commercial relationship as in the past.

We look forward to the future with optimism. Our booked order position is the strongest in our history. The energy crisis and shortages of key materials may have a braking effect upon the rate of expansion we might have hoped for but, on the other hand, we feel that with good management we shall be able to overcome the problems being presented as a result of these conditions and continue to sustain the growth and forward progress of all companies in the group.

Shortages of materials will cause us to exercise certain management disciplines to ensure that those critical materials we do have available to us are put to the best possible use with minimum wastage. This means that in 1974 one of the primary objectives of your Company's management will be to control the product mix so as to obtain the maximum profit contribution per pound of material used. Achieving this objective should reasonably assure us of sufficient materials to meet our 1974 sales plan and satisfy the requirements of our customers.

It may seem inconsistent at this point to mention plans for increasing productive capacity through capital investment in new machines and facilities while, at the same time, drawing attention to material shortages which may limit output. However, your Company has identified several opportunities which exist for investing capital within the capabilities of our cash flow, in projects which we feel with a high degree of assurance will yield an adequate return. Such investments may include acquisitions of companies outside the group, where such acquisitions promise to be of significant benefit to Canada and the shareholders of DRG Limited. The message I wish to convey is that future plans are for the expansion of your Company.

We are confident that the present and future needs of our Canadian economy will continue to present more and more opportunities for profit growth. The wealth of management skills and experience we have to draw upon within the DRG Limited companies in Canada, as well as the considerable store of technological and managerial resources we have backing us up in the world-wide Dickinson Robinson Group Ltd. companies, form a combination of strengths upon which your Company shall continue to advance.

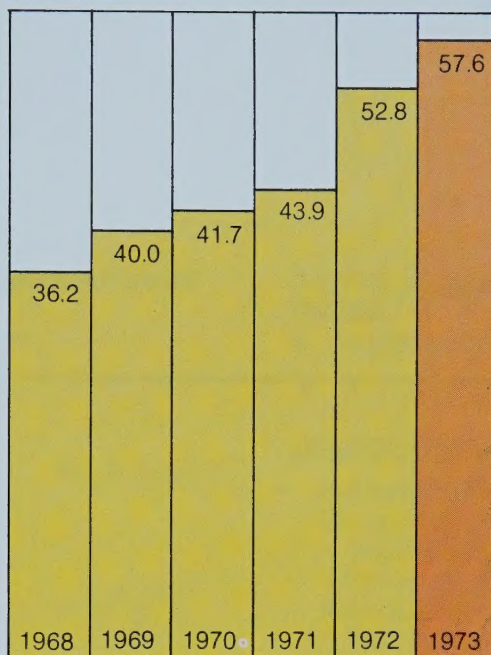
In closing, I wish to gratefully acknowledge on behalf of all of the DRG companies in Canada, the contributions to and the support of DRG Limited's growth and progress by Mr. John F. Robinson, whose retirement as Chairman of the Dickinson Robinson Group Ltd., and as a Director of DRG Limited became effective early this year. We extend to him our thanks and very best wishes in his retirement.

In addition, I wish to express our sincere appreciation to all of our fellow employees for their dedication and co-operative efforts which made this year's results possible.

A handwritten signature in dark ink, appearing to read "W. G. Reid".

W. G. Reid.

Net Sales Millions of Dollars



Net Earnings Millions of Dollars



Division of Sales Dollar



- SHAREHOLDERS: for dividend payments 2.2¢
- held for future growth of the business 2.6¢
- 4.8¢
- EMPLOYEES — for wages, salaries, commissions and benefits 30.9¢
- MATERIALS — purchased from our suppliers for use in manufacturing 47.2¢
- OPERATING EXPENDITURES — utilities, depreciation, maintenance, research and development, business services and operating supplies 13.5¢
- TAXES. Income taxes set aside for Federal and Provincial Governments 3.6¢



DRG LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF EARNINGS

for the year ended December 31, 1973

	1973	1972
Net sales	\$57,576,981	\$52,796,533
Manufacturing, selling and administrative costs	52,368,369	47,847,961
EARNINGS BEFORE UNDERNOTED ITEMS	5,208,612	4,948,572
Other charges (income)		
Interest on long term debt	339,193	277,725
Other income, net	(25,847)	(31,340)
Minority interest	52,496	40,237
	365,842	286,622
EARNINGS BEFORE INCOME TAXES	4,842,770	4,661,950
INCOME TAXES		
Current	1,776,127	2,059,000
Deferred	318,629	157,000
	2,094,756	2,216,000
NET EARNINGS FOR THE YEAR	\$ 2,748,014	\$ 2,445,950
 EARNINGS PER COMMON CLASS A AND COMMON CLASS B SHARE	 \$0.78	 \$0.70

CONSOLIDATED STATEMENT OF RETAINED EARNINGS
for the year ended December 31, 1973

	1973	1972
RETAINED EARNINGS BEGINNING OF YEAR ..	\$13,545,098	\$12,221,060
 NET EARNINGS FOR THE YEAR	<u>2,748,014</u> 16,293,112	<u>2,445,950</u> 14,667,010
 DIVIDENDS		
Common Class A	847,582	737,912
Common Class B	<u>432,000</u>	<u>384,000</u>
	<u>1,279,582</u>	<u>1,121,912</u>
 RETAINED EARNINGS END OF YEAR	<u><u>\$15,013,530</u></u>	<u><u>\$13,545,098</u></u>
 DIVIDENDS PER COMMON CLASS A AND COMMON CLASS B SHARE	\$0.36	\$0.32

**CONSOLIDATED STATEMENT OF SOURCE AND USE OF
FUNDS**
for the year ended December 31, 1973

	1973	1972
SOURCE OF FUNDS		
Net earnings for the year	\$ 2,748,014	\$ 2,445,950
Depreciation and amortization	1,244,413	1,162,712
Deferred income taxes.	318,629	157,000
Increase in minority interest	<u>52,496</u>	<u>41,440</u>
Total from operations	4,363,552	3,807,102
Proceeds of long term debt	—	1,100,000
Issue of capital stock (Note 2)	<u>280,250</u>	<u>278,350</u>
	<u>4,643,802</u>	<u>5,185,452</u>
 USE OF FUNDS		
Net expenditures on fixed assets	2,776,812	1,427,502
Goodwill arising on purchase of business	125,000	—
Reduction of long term debt	1,112,500	250,000
Dividends	<u>1,279,582</u>	<u>1,121,912</u>
	<u>5,293,894</u>	<u>2,799,414</u>
 INCREASE (DECREASE) IN WORKING CAPITAL	(650,092)	2,386,038
WORKING CAPITAL BEGINNING OF YEAR	<u>13,368,183</u>	<u>10,982,145</u>
WORKING CAPITAL END OF YEAR	<u><u>\$12,718,091</u></u>	<u><u>\$13,368,183</u></u>
 INCREASE (DECREASE) IN WORKING CAPITAL		
Cash and short term notes	(1,053,380)	551,198
Inventories	2,629,053	997,631
Accounts receivable and other current assets	<u>976,488</u>	<u>1,539,497</u>
Current liabilities	<u>(3,202,253)</u>	<u>(702,288)</u>
	<u><u>\$ (650,092)</u></u>	<u><u>\$ 2,386,038</u></u>

The notes on page 8 form an integral part of the consolidated financial statements.



DRG LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET

as at December 31, 1973

ASSETS

	1973	1972
CURRENT		
Cash and short term notes	\$ 1,038,251	\$ 2,091,631
Accounts receivable	9,596,913	8,558,437
Owing by affiliates	—	53,371
Inventories (Note 4)	10,831,042	8,201,989
Other	360,661	369,278
Total current assets	<u>21,826,867</u>	<u>19,274,706</u>
 FIXED, at cost		
Land	711,668	700,168
Buildings	8,249,154	7,125,686
Machinery and equipment	<u>18,277,139</u>	<u>17,026,958</u>
	27,237,961	24,852,812
 Accumulated depreciation	<u>14,717,262</u>	<u>13,864,512</u>
	12,520,699	10,988,300
 OTHER		
	186,320	61,320
	<u>\$34,533,886</u>	<u>\$30,324,326</u>

The notes on page 8 form an integral part of the consolidated financial statements.

LIABILITIES

	1973	1972
CURRENT		
Accounts payable and accrued liabilities	\$ 6,777,210	\$ 4,678,122
Owing to affiliates	200,156	—
Income and other taxes payable	696,404	696,401
Dividends payable	322,506	282,000
Current instalment of long term	1,112,500	250,000
Total current liabilities	9,108,776	5,906,523
LONG TERM (Note 3)	3,062,500	4,175,000
DEFERRED INCOME TAXES	1,788,247	1,469,618
MINORITY INTEREST IN SUBSIDIARY	93,936	41,440
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (Note 2)		
Authorized:		
8,000,000 Common Class A shares without nominal or par value ...		
1,200,000 Common Class B shares without nominal or par value		
Issued:		
2,383,200 Common Class A shares (1972 — 2,324,200)	3,802,985	3,522,735
1,200,000 Common Class B shares	1,663,912	1,663,912
	5,466,897	5,186,647
RETAINED EARNINGS	15,013,530	13,545,098
Total shareholders' equity	20,480,427	18,731,745
	<u>\$34,533,886</u>	<u>\$30,324,326</u>

Approved on behalf of the Board
W. G. HORSEY, Director
W. G. REID, Director



DRG LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, DECEMBER 31, 1973

1. Consolidation:

The accompanying financial statements include the accounts of DRG Limited and all its subsidiary companies.

2. Capital Stock:

During 1973, options were exercised on 59,000 Common Class A shares of the Company for a total consideration of \$280,250. Options were outstanding at December 31, 1973 to certain employees for 10,500 Common Class A shares at \$4.75 per share exercisable to August 10, 1974, of which 2,000 shares were optioned to directors and officers.

Each Common Class B share entitles the holder thereof to three votes and is convertible into one Common Class A share.

3. Long term debt:

Term loan, repayable in annual instalments of \$437,500 commencing in 1974 with the balance payable in 1978, interest at $\frac{3}{4}\%$ above prime

	1973	1972
rate	\$ 3,500,000	\$ 3,500,000
6 $\frac{3}{4}\%$ term loan, repayable in 1974, secured by pledge of debentures providing for a floating charge on the assets of the Company and certain of its subsidiaries	600,000	750,000
Loan from an affiliated company, non-interest bearing, repayable in 1974	75,000	175,000
	<u>4,175,000</u>	<u>4,425,000</u>
Less — current instalments	<u>1,112,500</u>	<u>250,000</u>
	<u>\$ 3,062,500</u>	<u>\$ 4,175,000</u>

4. Inventories:

Inventories have been valued at the lower of cost and market. For raw materials, market has been determined as replacement cost; for other inventories, market has been determined as net realizable value.

	1973	1972
Raw materials	\$ 4,654,202	\$ 2,700,409
Work in process	1,623,624	1,117,433
Finished goods	4,553,216	4,384,147
	<u>\$10,831,042</u>	<u>\$ 8,201,989</u>

5. Pensions:

The unfunded liability for past service pension benefits was approximately \$941,000 at December 31, 1973, to be paid by annual instalments of \$81,300 until 1989.

6. Remuneration of directors and officers:

Remuneration in 1973 of the Company's fourteen directors, as directors, and eleven officers, together with two past directors and officers, determined in accordance with the Canada Corporations Act, amounted to \$6,000 (1972 — \$5,000) and \$539,130 (1972 — \$459,432) respectively. Nine officers of the Company also serve as directors.

7. Sale of interest in a subsidiary:

Subsequent to December 31, 1973 the Company has sold effective as of January 1, 1974 its 51% of the shares of Drecona Industries Limited together with indebtedness owing to the Company for the aggregate price of \$325,000.

AUDITORS' REPORT

To Shareholders of DRG LIMITED

We have examined the consolidated balance sheet of DRG Limited and its subsidiary companies as at December 31, 1973 and the consolidated statements of earnings, retained earnings and source and use of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1973, and the results of their operations and the source and use of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
February 15, 1974

PRICE WATERHOUSE & CO.
Chartered Accountants

Six Year Progress Report

FINANCIAL RESULTS

	1973	1972	1971	1970	1969	1968
Net sales	\$57,576,981	\$52,796,533	\$43,950,759	\$41,701,753	\$40,046,149	\$36,183,939
Earnings before income taxes	4,842,770	4,661,950	4,271,794	3,974,229	3,980,611	3,145,888
Net earnings	2,748,014	2,445,950	2,112,282	1,861,539	1,844,492	1,495,376
Cash flow	4,363,552	3,807,102	3,283,382	2,920,058	2,943,559	2,507,168
Earnings per share	0.78	0.70	0.61	0.54	0.54	0.44
Cash flow per share	1.23	1.08	0.95	0.85	0.86	0.73
Dividends per share	0.36	0.32	0.26	0.24	0.23	0.19½

FINANCIAL POSITION

Current assets	21,826,867	19,274,706	16,186,380	13,886,632	13,087,709	11,933,010
Current liabilities	9,108,776	5,906,523	5,204,235	4,700,742	4,920,868	4,432,438
Working capital	12,718,091	13,368,183	10,982,145	9,185,890	8,166,841	7,500,572
Land, buildings, machinery and equipment	27,237,961	24,852,812	23,556,367	20,797,181	19,950,903	19,078,546
Less accumulated depreciation	14,717,262	13,864,512	12,832,856	11,811,313	10,813,842	9,969,805
Net fixed assets	12,520,699	10,988,300	10,723,511	8,985,868	9,137,061	9,108,741
Total assets	34,533,886	30,324,326	26,971,210	22,872,500	22,305,186	21,213,950
Long term debt	3,062,500	4,175,000	3,325,000	1,175,000	1,425,000	1,825,000
Deferred income taxes	1,788,247	1,469,618	1,312,618	1,217,457	1,226,176	1,277,812
Minority interest	93,936	41,440	—	—	—	—
Shareholders' equity	20,480,427	18,731,745	17,129,357	15,779,301	14,733,142	13,678,700
Book value per share	5.78	5.35	4.94	4.59	4.29	3.98

OTHER

Additions to fixed and other assets	2,901,812	1,427,502	2,756,862	903,173	1,034,395	1,214,419
Number of employees at December 31	1,792	1,595	1,504	1,542	1,665	—
Number of shareholders at December 31	1,240	1,171	1,121	1,127	1,168	—

The above per share figures reflect the stock split of April 17, 1972.



E.S. & A. Robinson (Canada) Limited

Printed and plain film, foil and paper packaging materials; printing, labels, wrappers, brochures; extruded and co-extruded plastic packaging films; rotogravure printing cylinders; art calendars, greeting cards and advertising specialties; thermoformed plastic articles and trays.

Flexible
Packaging
Division

Lithography
Division

Film
Manufacturing
Division

Gravure
Cylinder
Division

Specialty
Advertising
Division

Robinson
Rigid
Plastics
Division

Globe Envelopes Products Limited

Window envelopes; direct mail and reply envelopes; envelope type products.

London
(Ontario)

Winnipeg

Regina

Edmonton

Enveloppe Internationale Limitée

Window and coin envelopes; direct mail and reply envelopes; envelope type products.

Sellotape Canada Limited

A complete line of sticky tapes for home, office and industry. Tapes made with plastics, cellulose, acetate, paper and cloth. Typical applications are letter and book repair, electrical insulation, masking for painting. Printed tapes and labels.

Industrial
Division

Consumer
Division

Insil
Division

Selloprint
Division

Gage Stationery Company

Writing paper; envelopes and stationery for school, home and office use; spiral bound books and pads.

E.S. & A. Robinson (Canada) Limited

Our continued research into materials and converting technology creates better packages that keep food tastier and fresher, longer. Robinson's superior graphics are designed and beautifully reproduced to catch the shopper's eye on the supermarket shelf.

The Company has maintained its leadership position by extending the effectiveness of new packaging developments to meet the needs of most major food and beverage manufacturers in Canada.

Other large potential new markets being successfully developed are: packaging for the critical needs of the medical field; flexible pouches for liquids, such as auto

motor oil; rigid plastics whose rapid growth in 1973 required the acquisition of a second plant to meet market demand.

Flexible Packaging Division

Printed and plain film, foil and paper packaging materials

Lithography Division

Printing, labels, wrappers, brochures

Film Manufacturing Division

Extruded and co-extruded plastic packaging films

Gravure Cylinder Division

Rotogravure printing cylinders

Specialty Advertising Division

Art calendars, business gifts, greeting cards

Robinson Rigid Plastics Division

Thermoformed plastic articles and trays



Globe Envelopes Products Limited

The total envelope group achieved record growth with all six plants contributing to a new high in earnings during 1973. Highlights of the Globe Divisions are as follows:

TORONTO — It was a year of accelerated change with a realignment of personnel responsibilities and functions along with the completion of a major expansion and modernization programme. The building programme provided additional space for raw materials, finished goods and new equipment, designed to increase the Company's capacity to meet the needs of the market. At the same time, the office, employee break areas and cafeteria were remodelled. Despite the year long disruption, Globe employees overcame the difficulties to keep pace with the increased activity that resulted in the Company's successful year.

LONDON — In spite of a six-week work stoppage that occurred last spring, this division exceeded 1972 earning levels.

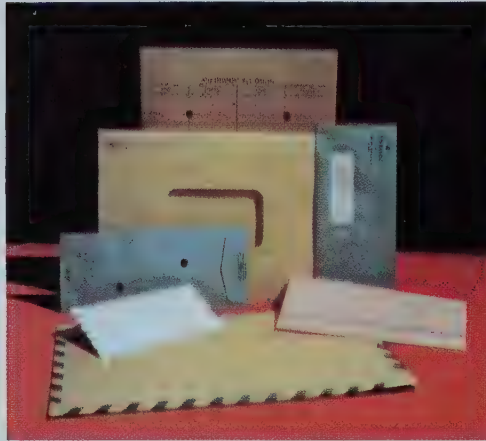
WINNIPEG — All-time records were established at this division in sales, production and earnings.

REGINA — While this division is the smallest in the group, it enjoyed the best percentage performance in every respect.

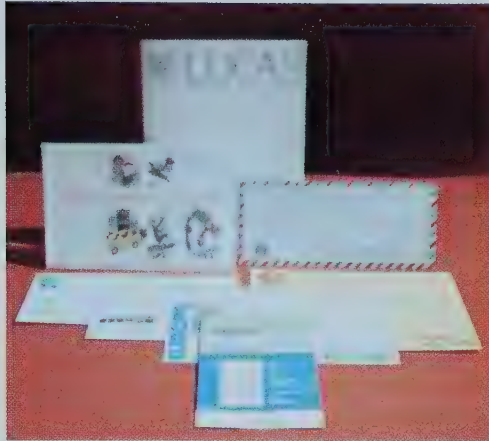
EDMONTON — An excellent last quarter in both sales and production resulted in figures that exceeded the forecast for 1973.

We look forward to 1974 with optimism. Orders remain high and production is at capacity well into the new year. However it will require a total commitment by the envelope group to overcome the economic factors that may influence 1974. Many economists are predicting a levelling-off of our economy due to the world-wide energy shortage; the cost of raw materials continues to escalate and certain basic commodities are in short supply.

However, we are confident growth will continue through capital investment in new machinery oriented to product development, quality and efficiency of operation which will contribute to increased sales and earnings in 1974.



Enveloppe Internationale Limitée



1973 was a banner year for Enveloppe Internationale Limitée. Total units produced and delivered increased substantially over 1972, with accompanying higher profits.

This surge that occurred in all sectors of our business reflects the buoyancy of the economy and loyalty of our customers. We appreciate the efforts of our employees who responded to the demands of short term deliveries with imagination and effort that contributed to our successful year.

Our management group has been strengthened with the appointment of three experienced managers in the Sales and Production areas. New printing equipment has been installed and additional folding machinery has been ordered to increase our production capacity.



Sellotape Canada Limited



Sellotape Canada Limited improved its market position in all areas during 1973. Each division contributed to a year of record achievement in sales and substantial increase in profits.

The Industrial Division, following its reorganization during the past two years, produced marked gains. With the addition of a new broad range of teflon tapes supplied by Technical Fluorocarbons Engineering, Division of Dayco Industries Limited, the Industrial Division approaches its 1974 goals with great potential.

A new system of regional sales management in the Consumer Products Division resulted in a meaningful increase in sales

through large volume distributors and jobbers.

Selloprint and Insil Divisions successfully strengthened their teams to increase sales and provisioning of their products to meet heightened market demands.

During 1973, Sellotape's head office facilities were modernized, and plans are finalized to expand the Company's manufacturing and converting capabilities during the coming year.

We express appreciation to all employees for their contribution to our progressive year. We wish, too, to thank our customers and end users for their highly valued support.



Gage Stationery Company

The design, manufacture and successful introduction of Canada's most complete stationery line was the major development at Gage Stationery Company in 1973. Under the trade name LION BRAND, the introduction was a milestone both for the Company and for the industry. Never before has such a coordinated range of stationery products been offered to the Canadian consumer. The line consists of a wide and colourful selection of writing paper products and Post Office approved sized envelopes to meet almost every letter writing need. LION BRAND was announced to distributors and major customers early in November 1973, with an initial response and accep-

tance that exceeded the Company's expectations. These early indications result in an optimistic outlook for sales and earnings in 1974.

A highly successful addition to the school products group was the OUR HERITAGE line of exercise books. They combined Canadian wild life and other scenes with a story on the Company's effort to encourage the recycling of paper. This ecological message produced many requests from students and teachers alike for additional information on the progress being made by Canadian paper mills towards better utilization of our valuable forest heritage.





Dickinson Robinson Group Companies

GREAT BRITAIN

Paper and Board Division

Croxley Mills, Watford

Printing, writing and speciality papers.

Nash Mills, Hemel Hempstead

Pulp boards.

Keynsham Paper Mills, Nr. Bristol

Coated and uncoated MG packaging papers.

Fife Paper Mills, Markinch

Fine papers, MG and coated papers.

Balerno Mills, Balerno

Coated papers.

Clements-Tough Ltd., Brentford

Lightermen, wharfingers and cartage contractors.

Envelope Making and Manufactured Stationery Division

Apsley, Hemel Hempstead

Commercial envelopes, paper and film bags for general packaging purposes, personal stationery, commercial, note and drawing books, document wallets and files, pasteboards, printers' cards and continuous stationery. Production machinery for own use.

Malago Works, Bedminster, Bristol

Paper and film bags for general packaging purposes.

Northern Works, Kirkby, Liverpool

Commercial envelopes, carrier bags and personal stationery.

Basildon Works, Tottenham

Commercial envelopes, labels and table stationery. Production machinery for own use.

Leighton Buzzard Factory

Rigid transparent boxes.

Packaging Division

DRG Packaging Ltd.

Robinson Cartons & Printing, Bristol

Cartons, envelopes, colour printing, rigid plastics and packaging systems.

Robinson Boxes, Bristol

Solid and transparent rigid boxes, composite containers.

Robinson Thermoforming, Yate

Thermoformed containers, trays and inserts.

Robinson Calendars & Diaries, Bristol

Calendars, diaries, PVC products, fine art reproductions.

RWP Flexible Packaging, Bristol

Flexible packaging, coated papers, laminates of paper, foil and plastic films.

Robinson Gravure Engraving Services, Bristol

Gravure cylinder processing.

John Laird & Son, Glasgow

Cartons, boxes, flexible packaging, labels, colour printing, corrugated cases and corrugated greaseproof.

Shirley Box, London

Cartons, rigid boxes and packaging systems.

Wye Plastics, Madley, Nr. Hereford

Injection moulded plugs, tubes and containers.

DRG Hospital Supplies, Bristol

Disposable hospital products, medical packaging.

DRG Reheatable Containers, Bristol.

Reheatable containers and catering packs.

Robinson Sacks, Northfleet, Rochester and Fife
Multiwall paper sacks, baler bags and refuse sack equipment.

Kent Kraft Mills, Northfleet

Kraft paper for sacks.

New Merton Board Mills, London

Lined and unlined chipboards, fibreboard containers and special drums, materials for modern building techniques.

DRG Cups, Liverpool

Disposable drinking cups, plates and containers.

Robinson Multiple Packaging Limited, London

Multi-unit packaging.

Redcliffe Inks Limited, Yate

Printing inks, varnishes and lacquers.

Bettapak Limited, London

Distribution of paper and plastic household articles.

The Ottery Waste Paper Company Limited, London

Waste paper supply for mills.

Beasley French & Company Limited, Bristol

Printing, packaging and stationery machinery.

Consumer Products Division

Adhesive Tapes Limited, Borehamwood

Self-adhesive products.

Home Park Mills, King's Langley

Gummed paper and tape, and self-adhesive tape.

Sellotape Products Limited, London

Distribution of Sellotape self-adhesive products and Sellostic household adhesive.

Industrial Sealants Limited, Borehamwood

Inseal strip sealants and gaskets for industry.

DRG Designs, London

Non-woven fabric and other short life products.

Engineering Division

Strachan & Henshaw Limited, Ashton, Bristol

Heavy duty mechanical handling plant, wagon marshalling equipment.

Strachan & Henshaw Limited, Speedwell, Bristol

Printing, paper converting, perfecting and folding machinery.

Whitehall Machinery Limited, Bristol

Packaging machinery.

Other Operating Units

Datalink, Bristol

On-line computer services bureau.

SOUTHERN AFRICA

THE DICKINSON ROBINSON GROUP AFRICA (PTY) LTD.

South Africa

John Dickinson & Co. (Pty) Ltd., Johannesburg, Cape Town and Durban

Envelopes, books and stationery.

E.S. & A. Robinson (Pty) Ltd., Cape Town and Durban

Flexible packaging, bags, waxed paper, laminates of paper, foil and plastic films, thermoformed containers and multi-colour gravure printing.

Robinson Plastic Films (Pty) Ltd., Cape Town

Plastic film extrusion.

Robinson Plastic Moulders (Pty) Ltd., Cape Town

Rigid plastic packaging and industrial components.

Paper Sacks South Africa Ltd., Durban and Cape Town

Multiwall paper and plastic sacks, baler bags and sack filling equipment, plastic films.

Sellotape and Adhesive Products (Pty) Ltd., Johannesburg

Sellotape self-adhesive products.

Rhodesia

E.S. & A. Robinson (Rhodesia) (Pvt) Ltd., Bulawayo

Flexible packaging, bags, waxed paper, laminates of paper, foil and plastic films, toilet tissue and Sellotape self-adhesive products.

Robinson Sacks (Pvt) Ltd., Salisbury

Multiwall paper sacks, baler bags and bituminised kraft paper.

John Dickinson & Co. (Africa) Ltd., Salisbury

Envelopes, books and stationery.

EUROPE

Switzerland

Rexel AG, Zurich

Distribution of Sellotape self-adhesive products.

Holland

Sellotape BV, Utrecht

Distribution of Sellotape self-adhesive products.

Sweden

Sellotape AB, Stockholm

Distribution of Sellotape self-adhesive products.

Belgium

Sellotape (Belgium) SA, Brussels

Distribution of Sellotape self-adhesive products.

Eire

Adhesive Tapes (Ireland) Ltd., Dublin

Self-adhesive products.

U.S.A.

DRG INCORPORATED

Beasley, French & Co. Incorporated, Chicago

Sales and service of "Befanco" machinery.

Strahn Incorporated, Chicago

Sales and service of printing and paper converting machinery.

NEW ZEALAND

DRG (NEW ZEALAND) LTD.

John Dickinson & Co. (New Zealand) Ltd., Auckland and Wellington

Envelopes, books, stationery and paper and film bags for general packaging purposes.

E. S. & A. Robinson (New Zealand) Ltd., Auckland

Bags, cartons, flexible packaging and multi-colour gravure printing, packaging systems.

Reid Containers Ltd., Wellington

Composite containers, flexible packaging, multi-colour gravure printing.

Sellotape Products (N.Z.) Ltd., Auckland

Sellotape Self-adhesive products.

AUSTRALIA

DRG AUSTRALIA LTD.

Stationery Division

John Dickinson & Co. (Australia) Pty Ltd., Sydney and Melbourne

Envelopes, books and stationery.

Flexible Packaging Division

Printers Pty. Ltd., Sydney

Gravure, litho and letterpress printing, coated and laminated flexible packaging.

Mars Packages Pty. Ltd., Melbourne

Plain and printed paper bags.

Carton & Printing Division

McLaren, Troedel & Cooper Division, Melbourne

Litho and letterpress printing, specialists in packaging and labels.

Lawley & Housego Pty. Ltd., Sydney

Litho and letterpress printing, carton and box manufacturing.

Associated Colour Etchers Pty. Ltd., Melbourne

Photo-lithography.

DRG ASSOCIATED COMPANIES

GREAT BRITAIN

The Nuclear Power Group (HH-Holdings)

Limited, Risley

Construction of nuclear power plants.

The Nuclear Power Group Limited, Risley

Construction of nuclear power plants.

Eire

Smurfit Robinson Ltd., Dublin

Flexible packaging.

Canada

E.S. & A. Robinson (Canada) Limited

Head Office: 69 Laird Drive, Toronto.
Vancouver, Calgary, Edmonton, Winnipeg,
London, Kitchener, Hamilton, *Toronto,
Ottawa, Montreal, Windsor, N.S.

Globe Envelopes Products Limited

Head Office: 1070 Queen Street East,
Toronto.

*Edmonton, Calgary, *Regina, *Winnipeg,

*London, Hamilton, *Toronto, Ottawa,
Montreal.

Enveloppe Internationale Limitée

Head Office: 7000 Hochelaga Street,
Montreal.

Quebec and *Montreal.



The world over

DRG Limited in Canada is associated with a world-wide group of companies. These companies are located in England, South Africa, Rhodesia, Australia and New Zealand and are leaders in the manufacturing of packaging, tapes, envelopes and stationery. DRG Limited works closely with each organization in the exchange of technology, innovations and management techniques to be of better service to our Canadian customers.

- Paper and Board Manufacturing
- Envelope and Stationery Manufacturing
- Packaging
- Consumer Products
- Engineering
- ▲ Computer Services.
- ▼ Nuclear Power Plant Construction



Canada

E.S. & A. Robinson (Canada) Limited

Head Office: 69 Laird Drive, Toronto.

Vancouver, Calgary, Edmonton, Winnipeg,
London, Kitchener, Hamilton, *Toronto,
Ottawa, Montreal, Windsor, N.S.

Globe Envelopes Products Limited

Head Office: 1070 Queen Street East,
Toronto.

*Edmonton, Calgary, *Regina, *Winnipeg,
*London, Hamilton, *Toronto, Ottawa,
Montreal.

Enveloppe Internationale Limitée

Head Office: 7000 Hochelaga Street,
Montreal.

Quebec and *Montreal.

Sellotape Canada Limited

Head Office: 10 Esandar Drive, Toronto.
Vancouver, Edmonton, Calgary, Saskatoon,
Winnipeg, London, Kitchener, Hamilton,
*Toronto, Ottawa, Montreal, Quebec.

Gage Stationery Company

Head Office: 71 Todd Road,
Georgetown, Ont.

Vancouver, Winnipeg, *Georgetown,
Toronto, *Longueuil, Que.

*Plants.

Great Britain

Paper and Board Manufacturing —
6 companies.

Envelope and Stationery

Manufacturing — 5 companies.

Packaging — 20 companies.

Consumer Products — 5 companies.

Engineering — 3 companies.

Computer Services.

Nuclear Power Plant

Construction — 2 companies.

- Paper and Board Manufacturing
- Envelope and Stationery Manufacturing
- Packaging
- Consumer Products
- ▲ Engineering
- ▲ Computer Services.
- ▼ Nuclear Power Plant Construction



South Africa

Paper and Board Manufacturing.
Envelope and Stationery Manufacturing.
Packaging — 3 companies.
Consumer Products.

Rhodesia

Paper and Board Manufacturing.
Envelope and Stationery Manufacturing.
Packaging.

Europe

Packaging.
Consumer Products — 5 companies.

U.S.A.

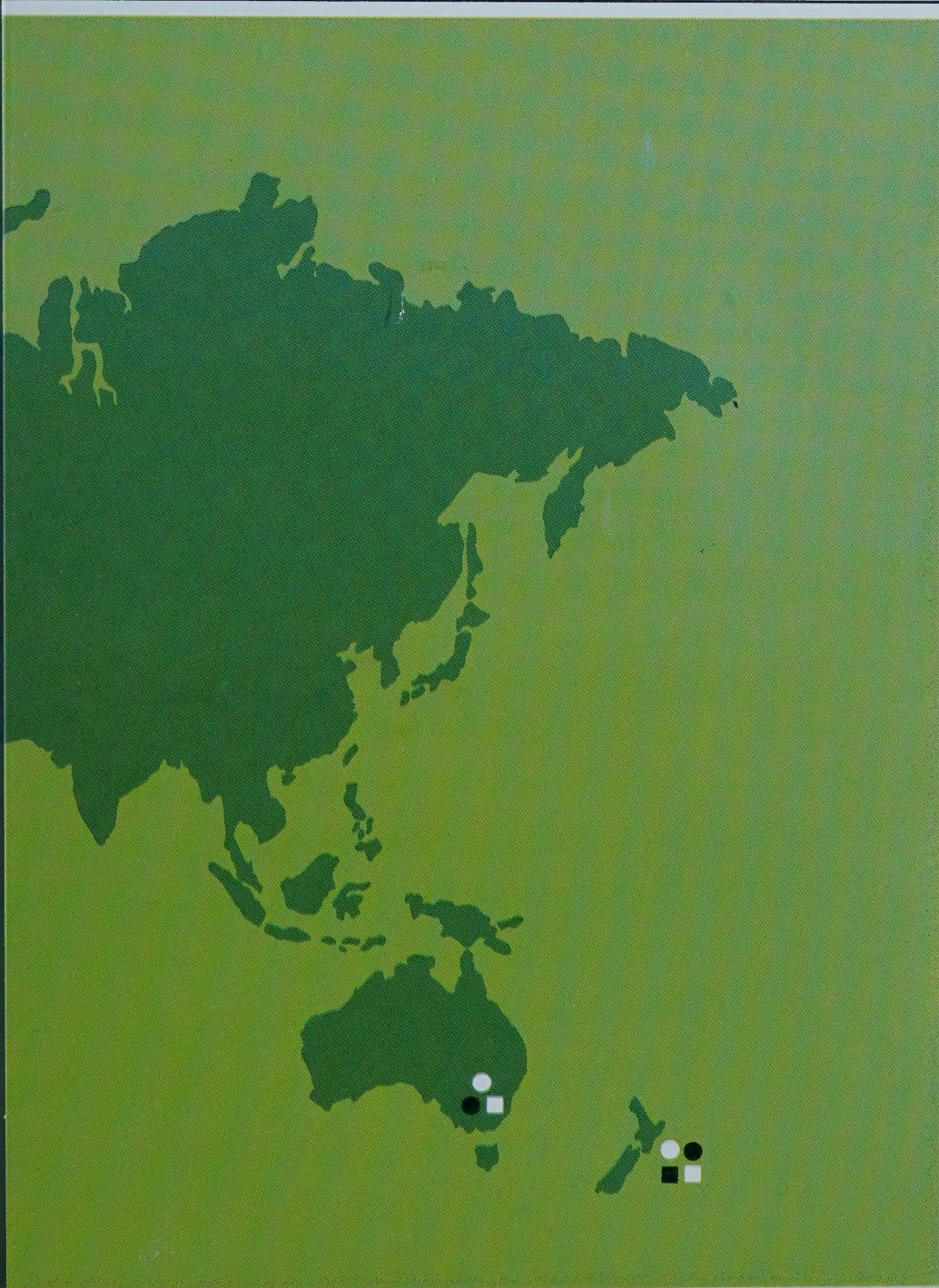
Service Companies — 2.

New Zealand

Paper and Board Manufacturing.
Envelope and Stationery Manufacturing.
Packaging.
Consumer Products.

Australia

Paper and Board Manufacturing.
Envelopes and Stationery Manufacturing.
Packaging — 4 companies.



DIRECTORS

L. Brégent	K. G. Graham
*Grant Horsey	*W. J. Hunter
J. L. Lewtas, Q.C.	A. J. Lynas
J. A. McCleery, F.C.A.	*C. W. McDougall
*N. C. Morris	*W. G. Reid
J. F. Robinson, C.B.E.	T. L. Robinson
R. W. Westrope	E. H. Young

* Member of the Executive Committee

OFFICERS

Grant Horsey	<i>Chairman of the Board</i>
W. G. Reid	<i>President</i>
K. G. Graham	<i>Vice President</i>
W. J. Hunter	<i>Vice President</i>
A. J. Lynas	<i>Vice President</i>
N. C. Morris	<i>Vice President</i>
J. R. Ward, C.A.	<i>Vice President Finance and Secretary</i>
E. H. Young	<i>Vice President</i>
L. B. Zalany, C.A.	<i>Associate Treasurer</i>

AR51



E S & A ROBINSON (CANADA) LTD.
Laminated and plastic coated — transparent film —
aluminum foils — specialty papers for packaging systems
bags — aluminum foils, film and specialty paper
printing — rotogravure, flexography, lithography
calendars and advertising specialties



GAGE STATIONERY COMPANY
Writing papers, envelopes and specialty stationery
School supplies such as exercise books, refills
Office products including filing supplies, pads and
spiralbound books



GLOBE ENVELOPES PRODUCTS LIMITED
Envelopes of all kinds — commercials, coins, windows,
booklets, catalogues, and envelope-type products



SELLOTAPE CANADA LIMITED
"Sellotape" brand pressure-sensitive tapes, cellulose, cloth
and vinyl, masking, filament and specialized tapes
"Selloprint" brand — tapes and labels
"Insil" sealing and gasketing materials



DRECONA INDUSTRIES LIMITED
Industrial adhesives
— wall and floor covering installations and
— to the shoe industry

ATTN: FINANCIAL EDITOR



LIMITED
A Dickinson Robinson Group Company

INTERIM REPORT TO SHARE OWNERS

for the period ended June 30, 1973

DRG LIMITED

73 Laird Drive, Toronto
Ontario

OPERATING DIVISIONS AND SUBSIDIARIES

E S & A ROBINSON (CANADA) LTD.
Montreal - Toronto - Winnipeg - Vancouver
Saint John - Ottawa - Hamilton - Kitchener
London - Calgary

GAGE STATIONERY COMPANY
Toronto and Georgetown - Ontario
Longueuil, Quebec
Winnipeg and Vancouver

GLOBE ENVELOPES PRODUCTS LIMITED
Montreal - London - Toronto - Winnipeg - Edmonton
Ottawa - Hamilton - Regina - Calgary

SELLOTAPE CANADA LIMITED
Toronto, Montreal and Vancouver

INTERNATIONAL ENVELOPE LIMITED
Montreal and Quebec City

DRECONA INDUSTRIES LIMITED
Mississauga, Ontario

MESSAGE TO SHAREHOLDERS RE FIRST SIX MONTHS RESULTS

Net earnings after taxes of \$1,537,000 compared with \$1,241,000 for the first six months of 1972, show an increase in 1973 of approximately 24%. Earnings per share this year are 43¢ compared with 35¢ for the first half of 1972.

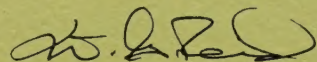
Net sales for the first six months of 1973 increased 8% over the same period last year.

All of our subsidiary companies contributed to the increase in profits, with the performance of Globe Envelopes Products Limited as well as Sellotape Canada Limited being particularly noteworthy. All factories are busy and have entered the second half of the year with a satisfactory backlog of orders.

E.S. & A. Robinson (Canada) Ltd., the largest of our subsidiary companies, has purchased for cash the business and assets of Plastic Forms Limited in Kitchener, Ontario. The acquisition of this plastic forming operation, which produces cookie, candy and fruit trays, will complement the existing product lines of the Robinson Rigid Plastic Division of the Company.

It is to be noted that in the provision for income taxes related to the first six months of 1973, effect has been given to the reduced rates recently enacted.

We look forward confidently to the continuation for the balance of the year of the progress shown in the first six months.



President

August 7, 1973.

DRG LIMITED

and Subsidiary Companies

INTERIM UNAUDITED CONSOLIDATED STATEMENT OF EARNINGS

	Six Months Ended June 30	
	1973	1972
	\$	\$
Net sales - - - - -	27,883,000	25,833,000
Net earnings before taxes - - - - -	2,755,000	2,386,000
Provision for income taxes - - - - -	1,218,000	1,145,000
Net earnings - - - - -	1,537,000	1,241,000
Net earnings per share - - - - -	.43	.35

INTERIM UNAUDITED CONSOLIDATED STATEMENT OF SOURCE AND USE OF FUNDS

	Six Months Ended June 30	
	1973	1972
	\$	\$
SOURCE OF FUNDS		
Net earnings - - - - -	1,537,000	1,241,000
Depreciation and amortization - - - - -	631,000	628,000
Deferred income taxes - - - - -	236,000	23,000
Attributable to minority interest of subsidiary - - - - -	26,000	22,000
Total from operations - - - - -	2,430,000	1,914,000
Issue of capital stock - - - - -	47,000	127,000
Proceeds of long term loan - - - - -		1,100,000
	2,477,000	3,141,000
USE OF FUNDS:		
Net expenditures on fixed and other assets - - - - -	1,293,000	434,000
Reduction of long term debt - - - - -	75,000	100,000
Dividends - - - - -	636,000	559,000
	2,004,000	1,093,000
INCREASE IN WORKING CAPITAL - - - - -	473,000	2,048,000

as at June 30

	1973	1972
CONSOLIDATED WORKING CAPITAL - - - - -	13,841,000	13,030,000

Earnings per share calculations are based on the weighted average number of shares outstanding at each month-end.